

MINUTES
Council on Postsecondary Education
Executive Committee
October 31, 2001

The Executive Committee met at 1 p.m. at the council offices in Frankfort, Kentucky.

ROLL CALL

Executive Committee members present: Charles Whitehead, Steve Barger, Norma Adams, and Shirley Menendez (by conference call). Others present: Dennis Taulbee, Sue Moore, Angela Martin, Ed Sergeant, Diann Donaldson, and Allen Norvell (Potter & Company).

COUNCIL AUDIT

Allen Norvell discussed the findings of the council audit.

The report was presented in two parts: 1) Financial Statements and Independent Auditor's Report and 2) Memorandum of Comments and Suggestions.

The audit report was summed up as, "We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses."

There were no problems with the financial statements, but some findings and comments were made related to documentation of expenditures. A list of the comments and findings was provided to the executive committee and will be provided to the full council.

The executive committee directed the staff to report on the findings and comments to the council.

The auditors pointed out that changes in the Governmental Accounting Standards Board will require significant changes to the accounting practices of governmental entities. It was agreed that Potter & Company and council staff will meet early to discuss those changes.

Mr. Norvell was asked to be present at the November council meeting to present the final audit report to the council.

Dennis Taulbee will draft an ethics policy for the council staff.

All report findings will be completed as suggested by the auditor.

Eisenhower Science and Mathematics is now in compliance, and processes have been put into place with a tickler system for federal awards.

Future MOA language will be changed to denote that funds will not be distributed if compliance to reporting is not met.

Angie Martin led a discussion on new accounting guidelines that will be implemented in 2002. This change also will affect the universities. Mr. Whitehead voiced concern about training for institutions on the new standards. Mr. Taulbee stated that the council staff will provide leadership for the institutions on the changes.

ADJOURNMENT

The meeting adjourned at 3:15 p.m.

Dennis L. Taulbee
Associate Vice President/General Counsel

Renee Nelson
Secretary